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**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH**

**CERTIFICATE OF NEED (CON) REVIEW STANDARDS FOR HOSPITAL BEDS**

(By authority conferred on the CON Commission by sections 22215 and 22217 of Act No. 368 of the Public Acts of 1978, as amended, and sections 7 and 8 of Act No. 306 of the Public Acts of 1969, as amended, being sections 333.22215, 333.22217, 24.207, and 24.208 of the Michigan Compiled Laws.)

**Section 1. Applicability**

Sec. 1. (1) These standards are requirements for approval and delivery of services for all projects approved and certificates of need issued under Part 222 of the Code that involve (a) increasing licensed beds in a hospital licensed under Part 215 or (b) physically relocating hospital beds from one licensed site to another geographic location or (c) replacing beds in a hospital or (d) acquiring a hospital or (e) beginning operation of a new hospital.

(2) A hospital licensed under Part 215 is a covered health facility for purposes of Part 222 of the Code.

(3) An increase in licensed hospital beds is a change in bed capacity for purposes of Part 222 of the Code.

(4) The physical relocation of hospital beds from a licensed site to another geographic location is a change in bed capacity for purposes of Part 222 of the Code.

(5) An increase in hospital beds certified for long-term care is a change in bed capacity for purposes of Part 222 of the Code and shall be subject to and reviewed under the CON Review Standards for Long-Term-Care Services.

(6) The Department shall use sections 3, 4, 5, 6, 7, 8, 10, and 15 of these standards and Section 2 of the Addendum for Projects for HIV Infected Individuals, as applicable, in applying Section 22225(1) of the Code, being Section 333.22225(1) of the Michigan Compiled Laws.

(7) The Department shall use Section 9 of these standards and Section 3 of the Addendum for Projects for HIV Infected Individuals, as applicable, in applying Section 22225(2)(c) of the Code, being Section 333.22225(2)(c) of the Michigan Compiled Laws.

**Section 2. Definitions**

Sec. 2. (1) As used in these standards:

(a) "Acquiring a hospital" means the issuance of a new hospital license as the result of the acquisition (including purchase, lease, donation, or other comparable arrangements) of a hospital with a valid license and which does not involve a change in bed capacity.

(b) "Alcohol and substance abuse hospital," for purposes of these standards, means a licensed hospital within a long-term (acute) care hospital that exclusively provides inpatient medical detoxification and medical stabilization and related outpatient services for persons who have a primary diagnosis of substance dependence covered by DRGs 433 - 437.

(c) "Base year" means the most recent year that final MIDB data is available to the Department unless a different year is determined to be more appropriate by the Commission.

(d) "CANCER HOSPITAL" MEANS A HOSPITAL THAT HAS BEEN APPROVED TO PARTICIPATE IN THE TITLE XVIII (MEDICARE) PROGRAM AS A PROSPECTIVE PAYMENT SYSTEM (PPS) EXEMPT HOSPITAL IN ACCORDANCE WITH SECTION 1886 (D)(1)(B)(V) OF THE SOCIAL SECURITY ACT, AS AMENDED.

(E) "Certificate of Need Commission" or "Commission" means the Commission created pursuant to Section 22211 of the code, being Section 333.22211 of the Michigan Compiled Laws.



(F) "Code" means Act No. 368 of the Public Acts of 1978, as amended, being Section 333.1101 et seq. of the Michigan Compiled Laws.

(G) "Department" means the Michigan Department of Community Health (MDCH).

(H) "Department inventory of beds" means the current list maintained for each hospital subarea on a continuing basis by the Department of (i) licensed hospital beds and (ii) hospital beds approved by a valid CON issued under either Part 221 or Part 222 of the Code that are not yet licensed. The term does not include hospital beds certified for long-term-care in hospital long-term care units.

(I) "Discharge relevance factor" (%R) means a mathematical computation where the numerator is the inpatient hospital discharges from a specific zip code for a specified hospital subarea and the denominator is the inpatient hospital discharges for any hospital from that same specific zip code.

(J) "Existing hospital beds" means, for a specific hospital subarea, the total of all of the following: (i) hospital beds licensed by the Department; (ii) hospital beds with valid CON approval but not yet licensed; (iii) proposed hospital beds under appeal from a final decision of the Department; and (iv) proposed hospital beds that are part of a completed application under Part 222 (other than the application under review) for which a proposed decision has been issued and which is pending final Department decision.

(K) "Health service area" OR "HSA" means the groups of counties listed in Section 17.

(L) "Hospital bed" means a bed within the licensed bed complement at a licensed site of a hospital licensed under Part 215 of the Code, excluding (i) hospital beds certified for long-term care as defined in Section 20106(6) of the Code and (ii) unlicensed newborn bassinets.

(M) "Hospital" means a hospital as defined in Section 20106(5) of the Code being Section 333.20106(5) of the Michigan Compiled Laws and licensed under Part 215 of the Code. The term does not include a hospital or hospital unit licensed or operated by the Department of Mental Health.


(N) "Hospital long-term-care unit" or "HLTCU" means a nursing care unit, owned or operated by and as part of a hospital, licensed by the Department, and providing organized nursing care and medical treatment to 7 or more unrelated individuals suffering or recovering from illness, injury, or infirmity.

(O) "Hospital subarea" or "subarea" means a cluster or grouping of hospitals and the relevant portion of the state's population served by that cluster or grouping of hospitals. For purposes of these standards, hospital subareas and the hospitals assigned to each subarea are set forth in Appendix A.

(P) "Host hospital," for purposes of these standards, means an existing licensed hospital, which delicenss hospital beds, and which leases patient care space and other space within the physical plant of the host hospital, to allow a long-term (acute) care hospital, or alcohol and substance abuse hospital, to begin operation.


(Q) "LICENSED CANCER HOSPITAL SITE" MEANS SPACE WITHIN THE LICENSED SITE OF THE HOST HOSPITAL, AS WELL AS SPACE ADJACENT TO OR CONNECTED TO THE HOST HOSPITAL FOR WHICH CON APPROVAL HAS BEEN SECURED AND A CERTIFICATE OF LICENSURE HAS BEEN ISSUED.

(R) "Licensed site" means either (i) in the case of a single site hospital, the location of the facility authorized by license and listed on that licensee's certificate of licensure or (ii) in the case of a hospital with multiple sites, the location of each separate and distinct inpatient unit of the health facility as authorized by license and listed on that licensee's certificate of licensure.

(S) "Long-term (acute) care hospital," means a hospital has been approved to participate in the Title XVIII (Medicare) program as a prospective payment system (PPS) exempt hospital in accordance with 42 CFR  art 412.

(T) "Market forecast factors" (%N) means a mathematical computation where the numerator is the number of total inpatient discharges indicated by the market survey forecasts and the denominator is the base year MIDB discharges.

(U) "Medicaid" means title XIX of the social security act, chapter 531, 49 Stat. 620, 1396r-6 and 1396r-8 to 1396v.

(V) "Metropolitan statistical area county" means a county located in a metropolitan statistical area as that term is defined under the "standards for defining metropolitan and micropolitan statistical areas" by the  istical policy office of the office of information and regulatory affairs of the United States office of management and budget, 65 F.R. p. 82238 (December 27, 2000) and as shown in Appendix B.

(W) "Michigan Inpatient Data Base" or "MIDB" means the data base compiled by the Michigan Health and Hospital Association or successor organization. The data base consists of inpatient discharge records from all Michigan hospitals and Michigan residents discharged from hospitals in border states for

a specific calendar year.

(X) "Micropolitan statistical area county" means a county located in a micropolitan statistical area as that term is defined under the "standards for defining metropolitan and micropolitan statistical areas" by the statistical policy office of the office of information and regulatory affairs of the United States office of management and budget, 65 F.R. p. 82238 (December 27, 2000) and as shown in Appendix B.

(Y) "New beds in a hospital" means hospital beds that meet at least one of the following: (i) are not currently licensed as hospital beds, (ii) are currently licensed hospital beds at a licensed site in one subarea which are proposed for relocation in a different subarea as determined by the Department pursuant to Section 3 of these standards, (iii) are currently licensed hospital beds at a licensed site in one subarea which are proposed for relocation to another geographic site which is in the same subarea as determined by the Department, but which are not in the replacement zone, or (iv) are currently licensed hospital beds that are proposed to be licensed as part of a new hospital in accordance with Section 6(2) of these standards.

(Z) "New hospital" means one of the following: (i) the establishment of a new facility that shall be issued a new hospital license, (ii) for currently licensed beds, the establishment of a new licensed site that is not in the same hospital subarea as the currently licensed beds, (iii) currently licensed hospital beds at a licensed site in one subarea which are proposed for relocation to another geographic site which is in the same subarea as determined by the Department, but which are not in the replacement zone, or (iv) currently licensed hospital beds that are proposed to be licensed as part of a new hospital in accordance with section 6(2) of these standards.

(AA) "Overbedded subarea" means a hospital subarea in which the total number of existing hospital beds in that subarea exceeds the subarea needed hospital bed supply as set forth in Appendix C.

(BB) "Planning year" means five years beyond the base year, established by the CON Commission, for which hospital bed need is developed, unless a different year is determined to be more appropriate by the Commission.

(CC) "Relevance index" or "market share factor" (%Z) means a mathematical computation where the numerator is the number of inpatient hospital patient days provided by a specified hospital subarea from a specific zip code and the denominator is the total number of inpatient hospital patient days provided by all hospitals to that specific zip code using MIDB data.

(DD) "Relocate existing licensed hospital beds" for purposes of Section 8 of these standards, means a change in the location of existing hospital beds from the existing licensed hospital site to a different existing licensed hospital site within the same hospital subarea. This definition does not apply to projects involving replacement beds in a hospital governed by Section 7 of these standards.

(EE) "Replacement beds in a hospital" means hospital beds that meet all of the following conditions; (i) an equal or greater number of hospital beds are currently licensed to the applicant at the licensed site at which the proposed replacement beds are currently licensed; (ii) the hospital beds are proposed for replacement in new physical plant space being developed in new construction or in newly acquired space (purchase, lease, donation, etc.); and (iii) the hospital beds to be replaced will be located in the replacement zone.

(FF) "Replacement zone" means a proposed licensed site that is (i) in the same subarea as the existing licensed site as determined by the Department in accord with Section 3 of these standards and (ii) on the same site, on a contiguous site, or on a site within 2 miles of the existing licensed site if the existing licensed site is located in a county with a population of 200,000 or more, or on a site within 5 miles of the existing licensed site if the existing licensed site is located in a county with a population of less than 200,000.

(GG) "Rural county" means a county not located in a metropolitan statistical area or micropolitan statistical areas as those terms are defined under the "standards for defining metropolitan and micropolitan statistical areas" by the statistical policy office of the office of information regulatory affairs of the United States office of management and budget, 65 F.R. p. 82238 (December 27, 2000) and as shown in Appendix B.

(HH) "Utilization rate" or "use rate" means the number of days of inpatient care per 1,000 population during a one-year period.

(II) "Zip code population" means the latest population estimates for the base year and projections for the planning year, by zip code.

(2) The definitions in Part 222 shall apply to these standards.

### Section 3. Hospital subareas

Sec. 3. (1)(a) Each existing hospital is assigned to a hospital subarea as set forth in Appendix A which is incorporated as part of these standards, until Appendix A is revised pursuant to this subsection.

(i) These hospital subareas, and the assignments of hospitals to subareas, shall be updated, at the direction of the Commission, starting in May 2003, to be completed no later than November 2003. Thereafter, at the direction of the Commission, the updates shall occur no later than two years after the official date of the federal decennial census, provided that:

(A) Population data at the federal zip code level, derived from the federal decennial census, are available; and final MIDB data are available to the Department for that same census year.

(b) For an application involving a proposed new licensed site for a hospital (whether new or replacement), the proposed new licensed site shall be assigned to an existing hospital subarea utilizing a market survey conducted by the applicant and submitted with the application. The market survey shall provide, at a minimum, forecasts of the number of inpatient discharges for each zip code that the proposed new licensed site shall provide service. The forecasted numbers must be for the same year as the base year MIDB data. The market survey shall be completed by the applicant using accepted standard statistical methods. The market survey must be submitted on a computer media and in a format specified by the Department. The market survey, if determined by the Department to be reasonable pursuant to Section 14, shall be used by the Department to assign the proposed new site to an existing subarea based on the methodology described by "The Specification of Hospital Service Communities in a Large Metropolitan Area" by J. William Thomas, Ph.D., John R. Griffith, and Paul Durance, April 1979 as follows:

(i) For the proposed new site, a discharge relevance factor for each of the zip codes identified in the application will be computed. Zip codes with a market forecast factor of less than .05 will be deleted from consideration.

(ii) The base year MIDB data will be used to compute discharge relevance factors (%Rs) for each hospital subarea for each of the zip codes identified in step (i) above. Hospital subareas with a %R of less than .10 for all zip codes identified in step (i) will be deleted from the computation.

(iii) The third step in the methodology is to calculate a population-weighted average discharge relevance factor  $\bar{R}_j$  for the proposed hospital and existing subareas. Letting:

$P_i$  = Population of zip code  $i$ .

$d_{ij}$  = Number of patients from zip code  $i$  treated at hospital  $j$ .

$D_i = \sum_j d_{ij}$  = Total patients from zip code  $i$ .

$I_j = \{i \mid (d_{ij}/D_i) \geq \alpha\}$ , set of zip codes for which the individual relevance factor [%R from (i) and (ii) above] values  $(d_{ij}/D_i)$  of hospital  $j$  exceeds or equals  $\alpha$ , where  $\alpha$  is specified  $0 \leq \alpha \leq 1$ .

$$\text{then } \bar{R}_j = \frac{\sum_{i \in I_j} P_i (d_{ij}/D_i)}{\sum_{i \in I_j} P_i}$$

(iv) After  $\bar{R}_j$  is calculated for the applicant(s) and the included existing subareas, the hospital/subarea with the smallest  $\bar{R}_j$  ( $S \bar{R}_j$ ) is grouped with the hospital/subarea having the greatest individual discharge relevance factor in the  $S \bar{R}_j$ 's home zip code.  $S \bar{R}_j$ 's home zip code is defined as the zip code from  $S \bar{R}_j$ 's with the greatest discharge relevance factor.

(v) If there is only a single applicant, then the assignment procedure is complete. If there are additional applicants, then steps (iii), and (iv) must be repeated until all applicants have been assigned to an existing subarea.

(2) The Commission shall amend Appendix A to reflect: (a) approved new licensed site(s) assigned

to a specific hospital subarea; (b) hospital closures; and (c) licensure action(s) as appropriate.

(3) As directed by the Commission, new sub-area assignments established according to subsection (1)(a)(i) shall supersede Appendix A and shall be included as an amended appendix to these standards effective on the date determined by the Commission.

#### **Section 4. Determination of the needed hospital bed supply**

Sec. 4. (1) The determination of the needed hospital bed supply for a hospital subarea for a planning year shall be made using the MIDB and population estimates and projections by zip code in the following methodology:

(a) All hospital discharges for normal newborns (DRG 391) and psychiatric patients (ICD-9-CM codes 290 through 319 as a principal diagnosis) will be excluded.

(b) For each hospital subarea, calculate the number of patient days (take the patient days for each discharge and accumulate it within the respective age group) for the following age groups: ages 0 (excluding normal newborns) through 14 (pediatric), ages 15 through 44, female ages 15 through 44 (DRGs 370 through 375 – obstetrical discharges), ages 45 through 64, ages 65 through 74, and ages 75 and older. Data from non-Michigan residents are to be included for each specific age group. Data from non-Michigan residents are to be included for each specific age group.

(c) For each hospital subarea, calculate the relevance index (%Z) for each zip code and for each of the following age groups: ages 0 (excluding normal newborns) through 14 (pediatric), ages 15 through 44, female ages 15 through 44 (DRGs 370 THROUGH 375 – obstetrical discharges), ages 45 through 64, ages 65 through 74, and ages 75 and older.

(d) For each hospital subarea, multiply each zip code %Z calculated in (c) by its respective base year zip code and age group specific year population. The result will be the zip code allocations by age group for each subarea.

(e) For each hospital subarea, calculate the subarea base year population by age group by adding together all zip code population allocations calculated in (d) for each specific age group in that subarea. The result will be six population age groups for each subarea.

(f) For each hospital subarea, calculate the patient day use rates for ages 0 (excluding normal newborns) through 14 (pediatric), ages 15 through 44, female ages 15 through 44 (DRGs 370 THROUGH 375 – obstetrical discharges), ages 45 through 64, ages 65 through 74, and ages 75 and older by dividing the results of (b) by the results of (e).

(g) For each hospital subarea, multiply each zip code %Z calculated in (c) by its respective planning year zip code and age group specific year population. The results will be the projected zip code allocations by age group for each subarea.

(h) For each hospital subarea, calculate the subarea projected year population by age group by adding together all projected zip code population allocations calculated in (g) for each specific age group. The result will be six population age groups for each subarea.

(i) For each hospital subarea, calculate the subarea projected patient days for each age group by multiplying the six projected populations by age group calculated in step (h) by the age specific use rates identified in step (f).

(j) For each hospital subarea, calculate the adult medical/surgical subarea projected patient days by adding together the following age group specific projected patient days calculated in (i): ages 15 through 44, ages 45 through 64, ages 65 through 74, and ages 75 and older. The 0 (excluding normal newborns) through 14 (pediatric) and female ages 15 through 44 (DRGs 370 through 375 – obstetrical discharges) age groups remain unchanged as calculated in (i).

(k) For each hospital subarea, calculate the subarea projected average daily census (ADC) for three age groups: Ages 0 (excluding normal newborns) through 14 (pediatric), female ages 15 through 44 (DRGs 370 through 375 – obstetrical discharges), and adult medical surgical by dividing the results calculated in (j) by 365 (or 366 if the planning year is a leap year). Round each ADC to a whole number. This will give three ADC computations per subarea.

(l) For each hospital subarea and age group, select the appropriate subarea occupancy rate from the occupancy rate table in Appendix D.

(m) For each hospital subarea and age group, calculate the subarea projected bed need number of

hospital beds for the subarea by age group by dividing the ADC calculated in (k) by the appropriate occupancy rate determined in (l). To obtain the total hospital bed need, add the three age group bed projections together. Round any part of a bed up to a whole bed.

## **Section 5. Bed Need**

Sec. 5. (1) The bed-need numbers incorporated as part of these standards as Appendix C shall apply to projects subject to review under these standards, except where a specific CON review standard states otherwise.

(2) The Commission shall direct the Department, effective November 2004 and every two years thereafter, to re-calculate the acute care bed need methodology in Section 4, within a specified time frame.

(3) The Commission shall designate the base year and the future planning year which shall be utilized in applying the methodology pursuant to subsection (2).

(4) When the Department is directed by the Commission to apply the methodology pursuant to subsection (2), the effective date of the bed-need numbers shall be established by the Commission.

(5) As directed by the Commission, new bed-need numbers established by subsections (2) and (3) shall supersede the bed-need numbers shown in Appendix C and shall be included as an amended appendix to these standards.

## **Section 6. Requirements for approval -- new beds in a hospital**

Sec. 6. (1) An applicant proposing new beds in a hospital, except an applicant meeting the requirements of subsection 2, 3, or 4, shall demonstrate that it meets all of the following:

(a) The new beds in a hospital shall result in a hospital of at least 200 beds in a metropolitan statistical area county or 50 beds in a rural or micropolitan statistical area county. This subsection may be waived by the Department if the Department determines, in its sole discretion, that a smaller hospital is necessary or appropriate to assure access to health-care services.

(b) The total number of existing hospital beds in the subarea to which the new beds will be assigned does not currently exceed the needed hospital bed supply as set forth in Appendix C. The Department shall determine the subarea to which the beds will be assigned in accord with Section 3 of these standards.

(c) Approval of the proposed new beds in a hospital shall not result in the total number of existing hospital beds, in the subarea to which the new beds will be assigned, exceeding the needed hospital bed supply as set forth in Appendix C. The Department shall determine the subarea to which the beds will be assigned in accord with Section 3 of these standards.

(2) An applicant proposing to begin operation as a new long-term (acute) care hospital, CANCER HOSPITAL, or alcohol and substance abuse hospital within an existing licensed, host hospital shall demonstrate that it meets all of the requirements of this subsection:

(a) If the long-term (acute) care hospital OR CANCER HOSPITAL applicant described in this subsection does not meet the Title XVIII requirements of the Social Security Act for exemption from PPS as a long-term (acute) care hospital OR CANCER HOSPITAL within 12 months after beginning operation, then it may apply for a six-month extension in accordance with R325.9403 of the CON rules. If the applicant fails to meet the Title XVIII requirements for PPS exemption as a long-term (acute) care hospital within the 12 or 18-month period, then the CON granted pursuant to this section, INCLUDING CONS APPROVED FOR THE ESTABLISHMENT OF A CANCER HOSPITAL AND FOR SERVICES DESCRIBED IN SUBSECTION (6)(2)(C), shall expire automatically.

The patient care space and other space to establish the new hospital is being obtained through a lease arrangement between the applicant and the host hospital, AS WELL AS OTHER ARRANGEMENT FOR CANCER HOSPITAL. The initial, renewed, or any subsequent lease OR OTHER



ARRANGEMENT shall specify at least all of the following:

(i) That the host hospital shall delicense the same number of hospital beds proposed by the applicant for licensure in the new hospital.

(ii) That the proposed new beds shall be for use in space currently licensed as part of the host hospital, OR IN SPACE IN A LICENSED CANCER HOSPITAL SITE, OR BOTH.

(iii) That upon non-renewal and/or termination of the lease OR OTHER ARRANGEMENT WITH A CANCER HOSPITAL, upon termination of the license issued under Part 215 of the act to the applicant for the new hospital, or upon noncompliance with the project delivery requirements or any other applicable requirements of these standards, the beds licensed as part of the new hospital must be disposed of by one of the following means:

(A) Relicensure of the beds to the host hospital. The host hospital must obtain a CON to acquire the long-term (acute) care hospital OR CANCER HOSPITAL. In the event that the host hospital applies for a CON to acquire CANCER HOSPITAL OR the long-term (acute) care hospital [including the beds leased by the host hospital to the long-term (acute) care hospital] within six months following the termination of the lease with the long-term (acute) care hospital OR OTHER ARRANGEMENT WITH A CANCER HOSPITAL, it shall not be required to be in compliance with the hospital bed supply set forth in Appendix C if the host hospital proposes to add the beds of the long-term (acute) care hospital OR CANCER HOSPITAL to the host hospital's medical/surgical licensed capacity and the application meets all other applicable project delivery requirements. The beds must be used for general medical/surgical purposes. Such an application shall not be subject to comparative review and shall be processed under the procedures for non-substantive review (as this will not be considered an increase in the number of beds originally licensed to the applicant at the host hospital);

(B) Delicensure of the hospital beds; or

(C) Acquisition by another entity that obtains a CON to acquire the new hospital in its entirety and that entity must meet and shall stipulate to the requirements specified in Section 6(2).

(c) The applicant or the current licensee of the new hospital shall not apply, initially or subsequently, for CON approval to initiate any other CON covered clinical services [EXCEPT CON APPROVAL SOUGHT BY A CANCER HOSPITAL FOR THE FOLLOWING COVERED CLINICAL SERVICES: (I) BONE MARROW TRANSPLANTATION; (II) COMPUTED TOMOGRAPHY (CT); (III) MAGNETIC RESONANCE IMAGING (MRI); (IV) MEGAVOLTAGE RADIATION THERAPY (MRT); (V) POSITRON EMISSION TOMOGRAPHY (PET); (VI) SURGICAL SERVICES]; provided, however, that this section is not intended, and shall not be construed in a manner which would prevent the licensee from contracting and/or billing for medically necessary covered clinical services required by its patients under arrangements with its host hospital or any other CON approved provider of covered clinical services.

(d) The new licensed hospital shall remain within the host hospital OR, IN THE CASE OF A CANCER HOSPITAL, WITHIN THE LICENSED CANCER HOSPITAL SITE.

(e) The new hospital shall be assigned to the same subarea as the host hospital.

(f) The proposed project to begin operation of a new hospital, under this subsection, shall constitute a change in bed capacity under Section 1(3) of these standards.

(g) The lease OR OTHER ARRANGEMENT will not result in an increase in the number of licensed hospital beds in the subarea.

(h) Applicants proposing a new hospital under this subsection shall not be subject to comparative review.

An applicant proposing to add new hospital beds, as the receiving licensed hospital under Section 8, shall demonstrate that it meets all of the requirements of this subsection and shall not be required to be in compliance with the needed hospital bed supply set forth in Appendix C if the application meets all other applicable CON review standards and agrees and assures to comply with all applicable project delivery requirements.

The approval of the proposed new hospital beds shall not result in an increase in the number of licensed hospital beds in the subarea.

The proposed project to add new hospital beds, under this subsection, shall constitute a change in bed capacity under Section 1(3) of these standards.

(c) Applicants proposing to add new hospital beds under this subsection shall not be subject to comparative review.

(4) As a pilot program, an applicant may apply for the addition of new beds if all of the following subsections are met. Further, an applicant proposing new beds at an existing licensed hospital site shall not be required to be in compliance with the needed hospital bed supply set forth in Appendix C if the application meets all other applicable CON review standards and agrees and assures to comply with all applicable project delivery requirements.

(a) The beds are being added at the existing licensed hospital site.

(b) The hospital at the existing licensed hospital site has operated as follows for the previous, consecutive 12 months based on its existing licensed hospital bed capacity as documented on the most recent reports of the "Annual Hospital Statistical Questionnaire" or more current verifiable data:

Number of Licensed Hospital Beds	Average Occupancy
Fewer than 300	80% and above
300 or more	85% and above

(c) The number of beds that may be approved pursuant to this subsection shall be the number of beds necessary to reduce the occupancy rate for the hospital to 80 percent for hospitals with licensed beds of 300 or more and to 75 percent for hospitals with licensed beds of fewer than 300. The number of beds shall be calculated as follows:

(i) Divide the actual number of patient days of care provided during the most recent, consecutive 12-month period for which verifiable data are available to the department by .80 for hospitals with licensed beds of 300 or more and by .75 for hospitals with licensed beds of fewer than 300 to determine licensed bed days at 80 percent occupancy or 75 percent occupancy as applicable;

(ii) Divide the result of step (i) by 365 (or 366 for leap years) and round the result up to the next whole number;

(iii) Subtract the number of licensed beds as documented on the "Department Inventory of Beds" from the result of step (ii) and round the result up to the next whole number to determine the maximum number of beds that may be approved pursuant to this subsection.

(d) The provisions of Section 6(4) are part of a pilot program approved by the CON Commission and shall expire and be of no further force and effect, and shall not be applicable to any application which has not been deemed complete in accordance with Rule 325.9201 prior to November 30, 2003. The Department shall report to the CON Commission within 180 days following the expiration of Section 6(4) on the number of applications received and approved, the total capital expenditures approved, and the projected cost savings to be realized, if any.

(e) Applicants proposing to add new hospital beds under this subsection shall not be subject to comparative review.

## **Section 7. Requirements for approval -- replacement beds in a hospital in a replacement zone**

Sec. 7. (1) If the application involves the development of a new licensed site, an applicant proposing replacement beds in a hospital in the replacement zone shall demonstrate that the new beds in a hospital shall result in a hospital of at least 200 beds in a metropolitan statistical area county or 50 beds in a rural or micropolitan statistical area county. This subsection may be waived by the Department if the Department determines, in its sole discretion, that a smaller hospital is necessary or appropriate to assure access to health-care services.

(2) In order to be approved, the applicant shall propose to (i) replace an equal or lesser number of beds currently licensed to the applicant at the licensed site at which the proposed replacement beds are located, and (ii) that the proposed new licensed site is in the replacement zone.

(3) An applicant proposing replacement beds in the replacement zone shall not be required to be in compliance with the needed hospital bed supply set forth in Appendix C if the application meets all other applicable CON review standards and agrees and assures to comply with all applicable project delivery requirements.



431 **Section 8. Requirements for approval of an applicant proposing to relocate existing licensed**  
432 **hospital beds**

433  
434 Sec 8. (1) The proposed project to relocate beds, under this section, shall constitute a change in  
435 bed capacity under Section 1(4) of these standards.

436  
437 (2) Any existing licensed acute care hospital may relocate all or a portion of its beds to another  
438 existing licensed acute care hospital located within the same subarea according to the provisions in this  
439 section.

440  
441 (3) The hospital from which the beds are being relocated, and the hospital receiving the beds, shall  
442 not require any ownership relationship.

443  
444 (4) The relocated beds shall continue to be counted in the inventory for the subarea but licensed to  
445 the recipient hospital.

446 (5) The relocation of beds from any other licensed acute care hospital within the subarea to any  
447 licensed acute care hospital within the subarea, shall not be subject to a mileage limitation.

448  
449 **Section 9. Project delivery requirements -- terms of approval for all applicants**

450  
451 Sec. 9. (1) An applicant shall agree that, if approved, the project shall be delivered in compliance with  
452 the following terms of CON approval:

453 (a) Compliance with these standards

454 (b) Compliance with applicable operating standards

455 (c) Compliance with the following quality assurance standards:

456 (i) The applicant shall provide the Department with a notice stating the date the hospital beds are  
457 placed in operation and such notice shall be submitted to the Department consistent with applicable  
458 statute and promulgated rules.

459 (ii) The applicant shall assure compliance with Section 20201 of the Code, being Section 333.20201  
460 of the Michigan Compiled Laws.

461 (iii) The applicant shall participate in a data collection network established and administered by the  
462 Department or its designee. The data may include, but is not limited to, annual budget and cost  
463 information and demographic, diagnostic, morbidity, and mortality information, as well as the volume of  
464 care provided to patients from all payor sources. The applicant shall provide the required data on a  
465 separate basis for each licensed site; in a format established by the Department, and in a mutually  
466 agreed upon media. The Department may elect to verify the data through on-site review of appropriate  
467 records.

468 (A) The applicant shall participate and submit data to the Michigan Inpatient Data Base (MIDB). The  
469 data shall be submitted to the Department or its designee.

470 (iv) An applicant shall participate in Medicaid at least 12 consecutive months within the first two years  
471 of operation and continue to participate annually thereafter.

472 (d) The applicant, to assure appropriate utilization by all segments of the Michigan population, shall:

473 (i) Not deny services to any individual based on ability to pay or source of payment.

474 (ii) Maintain information by source of payment to indicate the volume of care from each payor and  
475 non-payor source provided annually.

476 (iii) Provide services to any individual based on clinical indications of need for the services.

477  
478 (2) The agreements and assurances required by this section shall be in the form of a certification  
479 authorized by the governing body of the applicant or its authorized agent.

480  
481 **Section 10. Rural, micropolitan statistical area, and metropolitan statistical area Michigan**  
482 **counties**

483  
484 Sec. 10. Rural, micropolitan statistical area, and metropolitan statistical area Michigan counties, for  
485 purposes of these standards, are incorporated as part of these standards as Appendix B. The

Department may amend Appendix B as appropriate to reflect changes by the statistical policy office of the office of information and regulatory affairs of the United States office of management and budget.

#### **Section 11. Department inventory of beds**


Sec. 11. The Department shall maintain and provide on request a listing of the Department inventory of beds for each subarea.

#### **Section 12. Effect on prior planning policies; comparative reviews**

Sec. 12. (1) These CON review standards supersede and replace the CON standards for hospital beds approved by the CON Commission on MARCH 9, 2004 and effective JUNE 4, 2004.

(2) Projects reviewed under these standards shall be subject to comparative review except those projects meeting the requirements of Section 7 involving the replacement of beds in a hospital within the replacement zone and projects involving acquisition (including purchase, lease, donation or comparable arrangements) of a hospital.

#### **Section 13. Additional requirements for applications included in comparative reviews**

 13. (1) Any application subject to comparative review under Section 22229 of the Code being Section 333.22229 of the Michigan Compiled Laws or these standards shall be grouped and reviewed with other applications in accordance with the CON rules applicable to comparative reviews.

(2) Each application in a comparative review group shall be individually reviewed to determine whether the application has satisfied all the requirements of Section 22225 of the Code being Section 333.22225 of the Michigan Compiled Laws and all other applicable requirements for approval in the Code and these standards. If the Department determines that one or more of the competing applications satisfies all of the requirements for approval, these projects shall be considered qualifying projects. The Department shall approve those qualifying projects which, taken together, do not exceed the need, as defined in Section 22225(1), in the order the Department determines the projects most fully promote the availability of quality health services at reasonable cost.

#### **Section 14. Documentation of market survey**

Sec. 14. An applicant required to conduct a market survey under Section 3 shall specify how the market survey was developed. This specification shall include a description of the data source(s) used, assessments of the accuracy of these data, and the statistical method(s) used. Based on this documentation, the Department shall determine if the market survey is reasonable.

#### **Section 15. Requirements for approval -- acquisition of a hospital**

Sec. 15. (1) An applicant proposing to acquire a hospital shall not be required to be in compliance with the needed hospital bed supply set forth in Appendix C for the subarea in which the hospital subject to the proposed acquisition is assigned if the applicant demonstrates that all of the following are met:

- (a) the acquisition will not result in a change in bed capacity,
- (b) the licensed site does not change as a result of the acquisition,
- (c) the project is limited solely to the acquisition of a hospital with a valid license, and
- (d) if the application is to acquire a hospital, which was proposed in a prior application to be established as a long-term (acute) care hospital (LTAC) and which received CON approval, the applicant also must meet the requirements of Section 6(2). Those hospitals that received such prior approval are so identified in Appendix A.

**Section 16. Requirements for approval – all applicants**

Sec. 16. An applicant shall provide verification of Medicaid participation at the time the application is submitted to the Department. If the required documentation is not submitted with the application on the designated application date, the application will be deemed filed on the first applicable designated application date after all required documentation is received by the Department.

**Section 17. Health service areas**

Sec. 17. Counties assigned to each of the health service areas are as follows:

HSA	COUNTIES			
1 - Southeast	Livingston	Monroe	St. Clair	
	Macomb	Oakland	Washtenaw	
	Wayne			
2 - Mid-Southern	Clinton	Hillsdale	Jackson	
	Eaton	Ingham	Lenawee	
3 - Southwest	Barry	Calhoun	St. Joseph	
	Berrien	Cass	Van Buren	
	Branch	Kalamazoo		
4 - West	Allegan	Mason	Newaygo	
	Ionia	Mecosta	Oceana	
	Kent	Montcalm	Osceola	
	Lake	Muskegon	Ottawa	
5 - GLS	Genesee	Lapeer	Shiawassee	
6 - East	Arenac	Huron	Roscommon	
	Bay	Iosco	Saginaw	
	Clare	Isabella	Sanilac	
	Gladwin	Midland	Tuscola	
	Gratiot	Ogemaw		
7 - Northern Lower	Alcona	Crawford	Missaukee	
	Alpena	Emmet	Montmorency	
	Antrim	Gd Traverse	Oscoda	
	Benzie	Kalkaska	Otsego	
	Charlevoix	Leelanau	Presque Isle	
	Cheboygan	Manistee	Wexford	
8 - Upper Peninsula	Alger	Gogebic	Mackinac	
	Baraga	Houghton	Marquette	
	Chippewa	Iron	Menominee	
	Delta	Keweenaw	Ontonagon	
	Dickinson	Luce	Schoolcraft	

**CON REVIEW STANDARDS  
FOR HOSPITAL BEDS**

**HOSPITAL SUBAREA ASSIGNMENTS**

Health Service Area	Sub Area	Hospital Name	City
=====			
==			
<b>1 - Southeast</b>			
	1A	North Oakland Med Centers (Fac #63-0110)	Pontiac
	1A	Pontiac Osteopathic Hospital (Fac #63-0120)	Pontiac
	1A	St. Joseph Mercy – Oakland (Fac #63-0140)	Pontiac
	1A	Select Specialty Hospital - Pontiac (LTAC - FAC #63-0172)*	Pontiac
	1A	Crittenton Hospital (Fac #63-0070)	Rochester
	1A	Huron Valley – Sinai Hospital (Fac #63-0014)	Commerce Township
	1A	Wm Beaumont Hospital (Fac #63-0030)	Royal Oak
	1A	Wm Beaumont Hospital – Troy (Fac #63-0160)	Troy
	1A	Providence Hospital (Fac #63-0130)	Southfield
	1A	Great Lakes Rehabilitation Hospital (Fac #63-0013)	Southfield
	1A	Straith Hospital for Special Surg (Fac #63-0150)	Southfield
	1A	The Orthopaedic Specialty Hospital (Fac #63-0060)	Madison Heights
	1A	St. John Oakland Hospital (Fac #63-0080)	Madison Heights
	1A	Southeast Michigan Surgical Hospital (Fac #50-0100)	Warren
	1B	Bi-County Community Hospital (Fac #50-0020)	Warren
	1B	St. John Macomb Hospital (Fac #50-0070)	Warren
	1C	Oakwood Hosp And Medical Center (Fac #82-0120)	Dearborn
	1C	Garden City Hospital (Fac #82-0070)	Garden City
	1C	Henry Ford –Wyandotte Hospital (Fac #82-0230)	Wyandotte
	1C	Select Specialty Hosp Wyandotte (LTAC - Fac #82-0272)*	Wyandotte
	1C	Oakwood Annapolis Hospital (Fac #82-0010)	Wayne
	1C	Oakwood Heritage Hospital (Fac #82-0250)	Taylor
	1C	Riverside Osteopathic Hospital (Fac #82-0160)	Trenton
	1C	Oakwood Southshore Medical Center (Fac #82-0170)	Trenton
	1C	Kindred Hospital – Detroit (Fac #82-0130)	Lincoln Park
	1D	Sinai-Grace Hospital (Fac #83-0450)	Detroit
	1D	Rehabilitation Institute of Michigan (Fac #83-0410)	Detroit
	1D	Harper University Hospital (Fac #83-0220)	Detroit
	1D	St. John Detroit Riverview Hospital (Fac #83-0034)	Detroit
	1D	Henry Ford Hospital (Fac #83-0190)	Detroit
	1D	St. John Hospital & Medical Center (Fac #83-0420)	Detroit
	1D	Children's Hospital of Michigan (Fac #83-0080)	Detroit
	1D	Detroit Receiving Hospital & Univ Hlth (Fac #83-0500)	Detroit
	1D	St. John Northeast Community Hosp (Fac #83-0230)	Detroit
	1D	Kindred Hospital–Metro Detroit (Fac #83-0520)	Detroit
	1D	SCCI Hospital-Detroit (LTAC - Fac #83-0521)*	Detroit
	1D	Greater Detroit Hosp–Medical Center (Fac #83-0350)	Detroit
	1D	Renaissance Hosp & Medical Centers (Fac #83-0390)	Detroit
	1D	United Community Hospital (Fac #83-0490)	Detroit

\*This is a hospital that must meet the requirement(s) of Section 15(1)(d) - LTAC.

**APPENDIX A (continued)**

**Health**

**Service**

**Area**

**Sub**

**Area**

**Hospital Name**

**City**

==

**1 – Southeast (continued)**

1D	Harper-Hutzel Hospital (Fac #83-0240)	Detroit
1D	Select Specialty Hosp–NW Detroit (LTAC - Fac #83-0523)*	Detroit
1D	Bon Secours Hospital (Fac #82-0030)	Grosse Pointe
1D	Cottage Hospital (Fac #82-0040)	Grosse Pointe Farm
1E	Botsford General Hospital (Fac #63-0050)	Farmington Hills
1E	St. Mary Mercy Hospital (Fac #82-0190)	Livonia
1F	Mount Clemens General Hospital (Fac #50-0060)	Mt. Clemens
1F	Select Specialty Hosp – Macomb Co. (FAC #50-0111)*	Mt. Clemens
1F	St. John North Shores Hospital (Fac #50-0030)	Harrison Twp.
1F	St. Joseph's Mercy Hosp & Hlth Serv (Fac #50-0110)	Clinton Township
1F	St. Joseph's Mercy Hospital & Health (Fac #50-0080)	Mt. Clemens
1G	Mercy Hospital (Fac #74-0010)	Port Huron
1G	Port Huron Hospital (Fac #74-0020)	Port Huron
1H	St. Joseph Mercy Hospital (Fac #81-0030)	Ann Arbor
1H	University Of Michigan Health System (Fac #81-0060)	Ann Arbor
1H	Select Specialty Hosp–Ann Arbor (Ltac - Fac #81-0081)*	Ann Arbor
1H	Chelsea Community Hospital (Fac #81-0080)	Chelsea
1H	Saint Joseph Mercy Livingston Hosp (Fac #47-0020)	Howell
1H	Saint Joseph Mercy Saline Hospital (Fac #81-0040)	Saline
1H	Forest Health Medical Center (Fac #81-0010)	Ypsilanti
1H	Brighton Hospital (Fac #47-0010)	Brighton
1I	St. John River District Hospital (Fac #74-0030)	East China
1J	Mercy Memorial Hospital (Fac #58-0030)	Monroe

**2 - Mid-Southern**

2A	Clinton Memorial Hospital (Fac #19-0010)	St. Johns
2A	Eaton Rapids Medical Center (Fac #23-0010)	Eaton Rapids
2A	Hayes Green Beach Memorial Hosp (Fac #23-0020)	Charlotte
2A	Ingham Reg Med Cntr (Greenlawn) (Fac #33-0020)	Lansing
2A	Ingham Reg Med Cntr (Pennsylvania) (Fac #33-0010)	Lansing
2A	Edward W. Sparrow Hospital (Fac #33-0060)	Lansing
2A	Sparrow – St. Lawrence Campus (Fac #33-0050)	Lansing
2B	Carelink of Jackson (Ltac Fac #38-0030)*	Jackson
2B	W. A. Foote Memorial Hospital (Fac #38-0010)	Jackson
2C	Hillsdale Community Health Center (Fac #30-0010)	Hillsdale
2D	Emma L. Bixby Medical Center (Fac #46-0020)	Adrian
2D	Herrick Memorial Hospital (Fac #46-0030)	Tecumseh

\*This is a hospital that must meet the requirement(s) of Section 15(1)(d) - LTAC.

**APPENDIX A (continued)**

Health Service Area	Sub Area	Hospital Name	City
=====			
==			
<b>3 – Southwest</b>			
	3A	Borgess Medical Center (Fac #39-0010)	Kalamazoo
	3A	Bronson Methodist Hospital (Fac #39-0020)	Kalamazoo
	3A	Borgess-Pipp Health Center (Fac #03-0031)	Plainwell
	3A	Lakeview Community Hospital (Fac #80-0030)	Paw Paw
	3A	Bronson – Vicksburg Hospital (Fac #39-0030)	Vicksburg
	3A	Pennock Hospital (Fac #08-0010)	Hastings
	3A	Three Rivers Area Hospital (Fac #75-0020)	Three Rivers
	3A	Sturgis Hospital (Fac #75-0010)	Sturgis
	3A	Sempercare Hospital at Bronson (LTAC - Fac #39-0032)*	Kalamazoo
	3B	Fieldstone Ctr of Battle Crk. Health (Fac #13-0030)	Battle Creek
	3B	Battle Creek Health System (Fac #13-0031)	Battle Creek
	3B	Select Spec Hosp–Battle Creek (LTac - Fac #13-0111)*	Battle Creek
	3B	SW Michigan Rehab. Hosp. (Fac #13-0100)	Battle Creek
	3B	Oaklawn Hospital (Fac #13-0080)	Marshall
	3C	Community Hospital (Fac #11-0040)	Watervliet
	3C	Lakeland Hospital, St. Joseph (Fac #11-0050)	St. Joseph
	3C	Lakeland Specialty Hospital (LTAC - Fac #11-0080)*	Berrien Center
	3C	South Haven Community Hospital (Fac #80-0020)	South Haven
	3D	Lakeland Hospital, Niles (Fac #11-0070)	Niles
	3D	Lee Memorial Hospital (A) (Fac #14-0010)	Dowagiac
	3E	Community Hlth Ctr Of Branch Co (Fac #12-0010)	Coldwater
<b>4 – WEST</b>			
	4A	Memorial Medical Center Of West MI (Fac #53-0010)	Ludington
	4B	Kelsey Memorial Hospital (Fac #59-0050)	Lakeview
	4B	Mecosta County General Hospital (Fac #54-0030)	Big Rapids
	4C	Spectrum Hlth-Reed City Campus (Fac #67-0020)	Reed City
	4D	Lakeshore Community Hospital (Fac #64-0020)	Shelby
	4E	Gerber Memorial Hospital (Fac #62-0010)	Fremont
	4F	Carson City Hospital (Fac #59-0010)	Carson City
	4F	Gratiot Community Hospital (Fac #29-0010)	Alma
	4G	Hackley Hospital (Fac #61-0010)	Muskegon
	4G	Mercy Gen Hlth Partners–(Sherman) (Fac #61-0020)	Muskegon
	4G	Mercy Gen Hlth Partners–(Oak) (Fac #61-0030)	Muskegon
	4G	Lifecare Hospitals of Western MI (LTAC - Fac #61-0052)*	Muskegon

762 4G Select Spec Hosp–Western MI (LTAC - Fac #61-0051)\* Muskegon

763

764 \*This is a hospital that must meet the requirement(s) of Section 15(1)(d) - LTAC.

765

766

**APPENDIX A (continued)**

767 **Health**

768 **Service**

769 **Area**

**Sub**

**Area**

**Hospital Name**

**City**

770 =====

771 ==

772 **4 – West (continued)**

773

774 4G North Ottawa Community Hospital (Fac #70-0010) Grand Haven

775

776 4H Spectrum Hlth–Blodgett Campus (Fac #41-0010) E. Grand Rapids

777 4H Spectrum Hlth–Butterworth Campus (Fac #41-0040) Grand Rapids

778 4H Spectrum Hlth–Kent Comm Campus (Fac #41-0090) Grand Rapids

779 4H Mary Free Bed Hospital & Rehab Ctr (Fac #41-0070) Grand Rapids

780 4H Metropolitan Hospital (Fac #41-0060) Grand Rapids

781 4H Saint Mary's Mercy Medical Center (Fac #41-0080) Grand Rapids

782

783 4I Sheridan Community Hospital (A) (Fac #59-0030) Sheridan

784 4I United Memorial Hospital & LTCU (Fac #59-0060) Greenville

785

786 4J Holland Community Hospital (Fac #70-0020) Holland

787 4J Zeeland Community Hospital (Fac #70-0030) Zeeland

788

789 4K Ionia County Memorial Hospital (Fac #34-0020) Ionia

790

791 4L Allegan General Hospital (Fac #03-0010) Allegan

792

793 **5 – GLS**

794

795 5A Memorial Healthcare (Fac #78-0010) Owosso

796

797 5B Genesys Reg Med Ctr–Hlth Park (Fac #25-0072) Grand Blanc

798 5B Hurley Medical Center (Fac #25-0040) Flint

799 5B McLaren Regional Medical Center (Fac #25-0050) Flint

800 5B Select Specialty Hospital-Flint (LTAC - Fac #25-0071)\* Flint

801

802 5C Lapeer Regional Hospital (Fac #44-0010) Lapeer

803

804 **6 – East**

805

806 6A West Branch Regional Medical Cntr (Fac #65-0010) West Branch

807 6A Tawas St Joseph Hospital (Fac #35-0010) Tawas City

808

809 6B Central Michigan Community Hosp (Fac #37-0010) Mt. Pleasant

810

811 6C Mid-Michigan Medical Center-Clare (Fac #18-0010) Clare

812

813 6D Mid-Michigan Medical Cntr - Gladwin (Fac #26-0010) Gladwin

814 6D Mid-Michigan Medical Cntr - Midland (Fac #56-0020) Midland

815

816

817 \*This is a hospital that must meet the requirement(s) of Section 15(1)(d) - LTAC.

818



(A) Licensed sites with less than 15 acute care med/surg beds and up to 10 med/surg beds designated for short-term nursing care program ("swing beds"). These hospitals have state/federal critical access hospital designation.

## APPENDIX A (continued)

Health Service Area	Sub Area	Hospital Name	City
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==			
<b>6 – East (continued)</b>			
	6E	Bay Regional Medical Center (Fac #09-0050)	Bay City
	6E	Bay Regional Medical Ctr-West (Fac #09-0020)	Bay City
	6E	Samaritan Health Center (Fac #09-0051)	Bay City
	6E	Bay Special Care (LTAC - Fac #09-0010)*	Bay City
	6E	Standish Community Hospital (A) (Fac #06-0020)	Standish
	6F	Select Specialty Hosp–Saginaw (LTAC - Fac #73-0062)*	Saginaw
	6F	Covenant Medical Centers, Inc (Fac #73-0061)	Saginaw
	6F	Covenant Medical Cntr–N Michigan (Fac #73-0030)	Saginaw
	6F	Covenant Medical Cntr–N Harrison (Fac #73-0020)	Saginaw
	6F	Healthsource Saginaw (Fac #73-0060)	Saginaw
	6F	St. Mary's Medical Center (Fac #73-0050)	Saginaw
	6F	Caro Community Hospital (Fac #79-0010)	Caro
	6F	Hills And Dales General Hospital (Fac #79-0030)	Cass City
	6G	Harbor Beach Community Hosp (A) (Fac #32-0040)	Harbor Beach
	6G	Huron Medical Center (Fac #32-0020)	Bad Axe
	6G	Scheurer Hospital (A) (Fac #32-0030)	Pigeon
	6H	Deckerville Community Hospital (A) (Fac #76-0010)	Deckerville
	6H	Mckenzie Memorial Hospital (A) (Fac #76-0030)	Sandusky
	6I	Marlette Community Hospital (Fac #76-0040)	Marlette
<b>7 - Northern Lower</b>			
	7A	Cheboygan Memorial Hospital (Fac #16-0020)	Cheboygan
	7B	Charlevoix Area Hospital (Fac #15-0020)	Charlevoix
	7B	Mackinac Straits Hospital (A) (Fac #49-0030)	St. Ignace
	7B	Northern Michigan Hospital (Fac #24-0030)	Petoskey
	7C	Rogers City Rehabilitation Hospital (Fac #71-0030)	Rogers City
	7D	Otsego Memorial Hospital (Fac #69-0020)	Gaylord
	7E	Alpena General Hospital (Fac #04-0010)	Alpena
	7F	Kalkaska Memorial Health Center (A) (Fac #40-0020)	Kalkaska
	7F	Leelanau Memorial Health Center (A) (Fac #45-0020)	Northport
	7F	Munson Medical Center (Fac #28-0010)	Traverse City
	7F	Paul Oliver Memorial Hospital (A) (Fac #10-0020)	Frankfort

876 \*This is a hospital that must meet the requirement(s) of Section 15(1)(d) - LTAC.

877  
878 (A) Licensed sites with less than 15 acute care med/surg beds and up to 10 med/surg beds designated for  
879 short-term nursing care program ("swing beds"). These hospitals have state/federal critical access hospital  
880 designation.  
881

**Health  
Service  
Area**

**Sub  
Area**

**Hospital Name**

**City**

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**7 - Northern Lower (continued)**

7G	Mercy Hospital - Cadillac (Fac #84-0010)	Cadillac
7H	Mercy Hospital - Grayling (Fac #20-0020)	Grayling
7I	West Shore Medical Center (Fac #51-0020)	Manistee

**8 - UPPER PENINSULA**

8A	Grand View Hospital (Fac #27-0020)	Ironwood
8B	Ontonagon Memorial Hospital (A) (Fac #66-0020)	Ontonagon
8C	Iron County General Hospital (Fac #36-0020)	Iron River
8D	Baraga County Memorial Hospital (A) (Fac #07-0020)	L'anse
8E	Keweenaw Memorial Medical Center (Fac #31-0010)	Laurium
8E	Portage Health System (Fac #31-0020)	Hancock
8F	Dickinson County Memorial Hospital (Fac #22-0020)	Iron Mountain
8G	Bell Memorial Hospital (Fac #52-0010)	Ishpeming
8G	Marquette General Hospital (Fac #52-0050)	Marquette
8H	St. Francis Hospital (Fac #21-0010)	Escanaba
8I	Munising Memorial Hospital (A) (Fac #02-0010)	Munising
8J	Schoolcraft Memorial Hospital (A) (Fac #77-0010)	Manistique
8K	Helen Newberry Joy Hospital (A) (Fac #48-0020)	Newberry
8L	Chippewa Co. War Memorial Hosp (Fac #17-0020)	Sault Ste Marie

(A) Licensed sites with less than 15 acute care med/surg beds and up to 10 med/surg beds designated for short-term nursing care program ("swing beds"). These hospitals have state/federal critical access hospital designation.

**CON REVIEW STANDARDS**  
**FOR HOSPITAL BEDS**

Rural Michigan counties are as follows:

Alcona	Hillsdale	Ogemaw
Alger	Huron	Ontonagon
Antrim	Iosco	Osceola
Arenac	Iron	Oscoda
Baraga	Lake	Otsego
Charlevoix	Luce	Presque Isle
Cheboygan	Mackinac	Roscommon
Clare	Manistee	Sanilac
Crawford	Mason	Schoolcraft
Emmet	Montcalm	Tuscola
Gladwin	Montmorency	
Gogebic	Oceana	

Micropolitan statistical area Michigan counties are as follows:

Allegan	Gratiot	Mecosta
Alpena	Houghton	Menominee
Benzie	Isabella	Midland
Branch	Kalkaska	Missaukee
Chippewa	Keweenaw	St. Joseph
Delta	Leelanau	Shiawassee
Dickinson	Lenawee	Wexford
Grand Traverse	Marquette	

Metropolitan statistical area Michigan counties are as follows:

Barry	Ionia	Newaygo
Bay	Jackson	Oakland
Berrien	Kalamazoo	Ottawa
Calhoun	Kent	Saginaw
Cass	Lapeer	St. Clair
Clinton	Livingston	Van Buren
Eaton	Macomb	Washtenaw
Genesee	Monroe	Wayne
Ingham	Muskegon	

Source:

65 F.R., p. 82238 (December 27, 2000)  
Statistical Policy Office  
Office of Information and Regulatory Affairs  
United States Office of Management and Budget

**CON REVIEW STANDARDS**  
**FOR HOSPITAL BEDS**

The hospital bed need for purposes of these standards until otherwise changed by the Commission are as follows:

Health Service Area	SA No.	Bed Need	Bed Inventory 12-01-03*
<b>1 - SOUTHEAST</b>			
	1A	2693	3408
	1B	415	551
	1C	1372	2143
	1D	3098	4828
	1E	451	578
	1F	636	770
	1G	275	282
	1H	1431	1773
	1I	50	68
	1J	149	217
<b>2 - MID-SOUTHERN</b>			
	2A	866	1143
	2B	293	390
	2C	48	65
	2D	98	180
<b>3 - SOUTHWEST</b>			
	3A	763	1080
	3B	282	341
	3C	261	431
	3D	85	89
	3E	59	102
<b>4 - WEST</b>			
	4A	57	81
	4B	63	126
	4C	17	42
	4D	11	24
	4E	38	61
	4F	136	191
	4G	391	568
	4H	1240	1738
	4I	47	65
	4J	153	250
	4K	21	77
	4L	24	54

\*Applicants **must** contact the Department to obtain the current number of beds in the Department inventory of beds. Note the figures in the Bed Inventory Column do not reflect any data regarding applications for beds under appeal or pending a final Department decision.

**APPENDIX C (Continued)**

Health Service Area	SA No.	Bed Need	Bed Inventory 12-01-03*
5 - GLS			
	5A	79	115
	5B	1120	1241
	5C	119	183
6 - EAST			
	6A	99	148
	6B	55	118
	6C	47	64
	6D	216	272
	6E	299	443
	6F	765	1091
	6G	43	64
	6H	13	40
	6I	24	48
7 - NORTHERN LOWER			
	7A	43	46
	7B	203	273
	7C	0	36
	7D	27	53
	7E	99	124
	7F	349	354
	7G	62	97
	7H	53	90
	7I	40	75
8 - UPPER PENINSULA			
	8A	24	54
	8B	7	25
	8C	21	36
	8D	11	24
	8E	50	85
	8F	88	96
	8G	228	358
	8H	57	110
	8I	4	25
	8J	7	25
	8K	9	25
	8L	52	82

\*Applicants **must** contact the Department to obtain the current number of beds in the Department inventory of beds. Note the figures in the Bed Inventory Column do not reflect any data regarding applications for beds under appeal or pending a final Department decision.

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**OCCUPANCY RATE TABLE**

<b>ADC &gt;=</b>	<b>ADC &lt;</b>	<b>Occup</b>	<b>Beds</b>	<b>ADC &gt;=</b>	<b>ADC &lt;</b>	<b>Occup</b>	<b>Beds</b>
	50.000	<b>0.60</b>	83	101.475	102.225	0.75	136
50.000	51.423	0.61	84	102.225	102.975	0.75	137
51.423	52.886	0.62	85	102.975	103.725	0.75	138
52.886	53.506	0.62	86	103.725	104.475	0.75	139
53.506	54.999	0.63	87	104.475	105.225	0.75	140
54.999	55.629	0.63	88	105.225	107.388	0.76	141
55.629	56.259	0.63	89	107.388	108.148	0.76	142
56.259	57.792	0.64	90	108.148	108.908	0.76	143
57.792	58.432	0.64	91	108.908	109.668	0.76	144
58.432	59.072	0.64	92	109.668	110.428	0.76	145
59.072	60.645	<b>0.65</b>	93	110.428	111.188	0.76	146
60.645	61.295	0.65	94	111.188	111.948	0.76	147
61.295	61.945	0.65	95	111.948	112.708	0.76	148
61.945	63.558	0.66	96	112.708	113.468	0.76	149
63.558	64.218	0.66	97	113.468	114.228	0.76	150
64.218	65.861	0.67	98	114.228	116.501	0.77	151
65.861	66.531	0.67	99	116.501	117.271	0.77	152
66.531	67.201	0.67	100	117.271	118.041	0.77	153
67.201	68.884	0.68	101	118.041	118.811	0.77	154
68.884	69.564	0.68	102	118.811	119.581	0.77	155
69.564	70.244	0.68	103	119.581	120.351	0.77	156
70.244	71.967	0.69	104	120.351	121.121	0.77	157
71.967	72.657	0.69	105	121.121	121.891	0.77	158
72.657	73.347	0.69	106	121.891	122.661	0.77	159
73.347	75.110	<b>0.70</b>	107	122.661	123.431	0.77	160
75.110	75.810	0.70	108	123.431	124.201	0.77	161
75.810	76.510	0.70	109	124.201	124.971	0.77	162
76.510	78.313	0.71	110	124.971	127.374	0.78	163
78.313	79.023	0.71	111	127.374	128.154	0.78	164
79.023	79.733	0.71	112	128.154	128.934	0.78	165
79.733	80.443	0.71	113	128.934	129.714	0.78	166
80.443	82.296	0.72	114	129.714	130.494	0.78	167
82.296	83.016	0.72	115	130.494	131.274	0.78	168
83.016	83.736	0.72	116	131.274	132.054	0.78	169
83.736	84.456	0.72	117	132.054	132.834	0.78	170
84.456	85.176	0.72	118	132.834	133.614	0.78	171
85.176	87.089	0.73	119	133.614	134.394	0.78	172
87.089	87.819	0.73	120	134.394	135.174	0.78	173
87.819	88.549	0.73	121	135.174	135.954	0.78	174
88.549	89.279	0.73	122	135.954	136.734	0.78	175
89.279	90.009	0.73	123	136.734	137.514	0.78	176
90.009	90.739	0.73	124	137.514	140.067	0.79	177
90.739	91.469	0.73	125	140.067	140.857	0.79	178
91.469	93.462	0.74	126	140.857	141.647	0.79	179
93.462	94.202	0.74	127	141.647	142.437	0.79	180
94.202	94.942	0.74	128	142.437	143.227	0.79	181
94.942	95.682	0.74	129	143.227	144.017	0.79	182
95.682	96.422	0.74	130	144.017	144.807	0.79	183
96.422	97.162	0.74	131	144.807	145.597	0.79	184
97.162	97.902	0.74	132	145.597	146.387	0.79	185
97.902	99.975	<b>0.75</b>	133	146.387	147.177	0.79	186
99.975	100.725	0.75	134	147.177	147.967	0.79	187
100.725	101.475	0.75	135	147.967	148.757	0.79	188



<b>ADC &gt;=</b>	<b>ADC &lt;</b>	<b>Occup</b>	<b>Beds</b>
148.757	149.547	0.79	189
149.547	152.240	<b>0.80</b>	190
152.240	153.040	0.80	191
153.040	153.840	0.80	192
153.840	154.640	0.80	193
154.640	155.440	0.80	194
155.440	156.240	0.80	195
156.240	157.040	0.80	196
157.040	157.840	0.80	197
157.840	160.623	0.81	198
160.623	161.433	0.81	199
161.433	162.243	0.81	200
162.243	163.053	0.81	201
163.053	163.863	0.81	202
163.863	164.673	0.81	203
164.673	165.483	0.81	204
165.483	166.293	0.81	205
166.293	169.166	0.82	206
169.166	169.986	0.82	207
169.986	170.806	0.82	208
170.806	171.626	0.82	209
171.626	172.446	0.82	210
172.446	173.266	0.82	211
173.266	174.086	0.82	212
174.086	174.906	0.82	213
174.906	175.726	0.82	214
175.726	178.699	0.83	215
178.699	179.529	0.83	216
179.529	180.359	0.83	217
180.359	181.189	0.83	218
181.189	182.019	0.83	219
182.019	182.849	0.83	220
182.849	183.679	0.83	221
183.679	184.509	0.83	222
184.509	185.339	0.83	223
185.339	186.169	0.83	224
186.169	189.252	0.84	225
189.252	190.092	0.84	226
190.092	190.932	0.84	227
190.932	191.772	0.84	228
191.772	192.612	0.84	229
192.612	193.452	0.84	230
193.452	194.292	0.84	231
194.292	195.132	0.84	232
195.132	195.972	0.84	233
195.972	196.812	0.84	234
196.812	197.652	0.84	235
197.652	198.492	0.84	236
198.492	199.332	0.84	237
199.332	200.172	0.84	238
200.172		<b>0.85</b>	

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**MICHIGAN DEPARTMENT OF PUBLIC HEALTH  
OFFICE OF HEALTH AND MEDICAL AFFAIRS**

**CON REVIEW STANDARDS FOR HOSPITAL BEDS**  
**-- ADDENDUM FOR PROJECTS FOR HIV INFECTED INDIVIDUALS --**

(By authority conferred on the CON Commission by sections 22215 and 22217 of Act No. 368 of the Public Acts of 1978, as amended, and sections 7 and 8 of Act No. 306 of the Public Acts of 1969, as amended, being sections 333.22215, 333.22217, 24.207, and 24.208 of the Michigan Compiled Laws.)

**Section 1. Applicability; definitions**

Sec. 1. (1) This addendum supplements the CON Review Standards for Hospital Beds and may be used for determining the need for projects established to meet the needs of HIV infected individuals.

(2) Except as provided by sections 2 and 3 below, these standards supplement and do not supercede the requirements and terms of approval required by the CON Review Standards for Hospital Beds.

(3) The definitions that apply to the CON Review Standards for Hospital Beds apply to these standards.

(4) "HIV infected" means that term as defined in Section 5101 of the Code.

(5) Planning area for projects for HIV infected individuals means the State of Michigan.

**Section 2. Requirements for approval; change in bed capacity**

Sec. 2. (1) A project which, if approved, will increase the number of licensed hospital beds in an overbedded subarea or will result in the total number of existing hospital beds in a subarea exceeding the needed hospital bed supply as determined under the CON Review Standards for Hospital Beds may, nevertheless, be approved pursuant to subsection (3) of this addendum.

(2) Hospital beds approved as a result of this addendum shall be included in the Department inventory of existing beds in the subarea in which the hospital beds will be located. Increases in hospital beds approved under this addendum shall cause subareas currently showing a current surplus of beds to have that surplus increased.

(3) In order to be approved under this addendum, an applicant shall demonstrate all of the following:

(a) The Director of the Department has determined that action is necessary and appropriate to meet the needs of HIV infected individuals for quality, accessible and efficient health care.

(b) The hospital will provide services only to HIV infected individuals.

(c) The applicant has obtained an obligation, enforceable by the Department, from existing licensed hospital(s) in any subarea of this state to voluntarily delicense a number of hospital beds equal to the number proposed in the application. The effective date of the delicensure action will be the date the beds approved pursuant to this addendum are licensed. The beds delicensed shall not be beds already subject to delicensure under a bed reduction plan.

(d) The application does not result in more than 20 beds approved under this addendum in the State.

(4) In making determinations under Section 22225(2)(a) of the Code, for projects under this addendum, the Department shall consider the total cost and quality outcomes for overall community health systems for services in a dedicated portion of an existing facility compared to a separate aids facility and has determined that there exists a special need, and the justification of any cost increases in terms of important quality/access improvements or the likelihood of future cost reductions, or both.

1135  
1136 **Section 3. Project delivery requirements--additional terms of approval for projects involving HIV**  
1137 **infected individuals approved under this addendum.**  
1138

1139 Sec. 3. (1) An applicant shall agree that, if approved, the services provided by the beds for HIV  
1140 infected individuals shall be delivered in compliance with the following terms of CON approval:

1141 (a) The license to operate the hospital will be limited to serving the needs of patients with the clinical  
1142 spectrum of HIV infection and any other limitations established by the Department to meet the purposes  
1143 of this addendum.

1144 (b) The hospital shall be subject to the general license requirements of Part 215 of the Code except  
1145 as waived by the Department to meet the purposes of this addendum.

1146 (c) The applicant agrees that the Department shall revoke the license of the hospital if the hospital  
1147 provides services to inpatients other than HIV infected individuals.

1148  
1149 **Section 4. Comparative reviews**  
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1151 Sec. 4. (1) Projects proposed under Section 3 shall be subject to comparative review.